



FOR IMMEDIATE RELEASE
Wednesday, September 03, 2003

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Senate Seeks Best Economic Development Model for 21st Century

Sept. 30 Hearing To Examine MEDC Role, MEGA Tax Credits Effectiveness

LANSING – Senate Majority Leader Ken Sikkema today announced the Senate will hold hearings on the effectiveness of statewide economic development efforts and to recommend improvements to keep Michigan competitive in the 21st century.

“As Michigan makes itself more competitive in the 21st century, it has to make sure its jobs creation tools remain current with the times,” Sikkema said. “Michigan’s economic development efforts created in the 1990s have been popular and, in many cases, successful. But we have to make sure that the investment taxpayers are being asked to make generates an appropriate return.”

Sikkema, R-Wyoming, has asked Sens. Jason Allen, chairman of the Commerce and Labor Committee, and Valde Garcia, chairman of the Appropriations Subcommittee on Commerce, Labor and Economic Development, to hold a series of joint hearings on the future role of the Michigan Economic Development Corporation (MEDC), the Michigan Economic Growth Authority (MEGA), and the Michigan Strategic Fund. The first joint hearing will be held Sept. 30 in Lansing, with other hearings to be announced at a later date.

Sikkema said the need for the hearings comes as state law allowing the granting of tax abatements as economic development incentives expires on Dec. 31. He also said the hearings will look into whether greater legislative and public oversight of MEDC and MEGA activities are needed.

“Michigan has a bevy of economic development programs and there are real questions of how they all fit together for a common purpose,” Sikkema said. “These hearings will help us

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make Michigan more competitive for future jobs and give us a chance to review programs that were created in the economic boom of the 1990s.”